



AMERICAN PRESIDENT COMPANIES, LTD.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
Washington, D.C. 20554

Re: RM No. 8013

Dear Ms. Searcy:

I am writing on behalf of American President Companies, Ltd. ("APC") in opposition to a petition for rule making recently filed by PacTel Teletrac with the Federal Communications Commission relating to the rules pertaining to automatic vehicle monitoring systems. For the reasons noted herein, we are strongly opposed to the petition for rulemaking.

APC is one of the largest United States based intermodal transportation companies. APC operates in three principal markets: (i) the trans-Pacific market; (ii) the intra-Asia market; and (iii) the North American market. In the trans-Pacific market, APC operates scheduled services calling between key ports in Asia and the West Coast of the United States. In the intra-Asia market, APC provides service between 400 Asian cities and commercial centers. In all, APC provides scheduled service between 40 ports in the Pacific and Indian Oceans and the Persian Gulf. APC's ocean transportation business maintains a total of 159 offices and agents in North America, 24 countries in Asia and the Middle-East, 13 countries in Europe, and in Africa and Australia.

APC operates port terminal facilities in Oakland and Los Angeles, California, Seattle, Washington and Dutch Harbor, Alaska and major inland terminal facilities at Chicago, Atlanta and South Kearny, New Jersey, and provides rail services to over 30 major U.S. and Mexican commercial centers. It also operates major port terminal facilities in Asia in Kobe and Yokohama, Japan and Kaohsiung, Taiwan. APC's fleet of vessels consists of 23 modern container ships and 11 smaller feeder vessels. In addition, APC operates over 110,000 cargo containers, 50,000 truck chassis, 450 trucks and 1,100 double-stack rail cars.

We understand that the PacTel petition, if allowed by the FCC, would have the effect of granting exclusive future use of the 904-912 MHz and 918-926 MHz portion of the spectrum to PacTel and similar users. We are opposed to the PacTel request for exclusive use of these portions of the spectrum for three primary reasons: (1) it would deny use of this portion of the spectrum in connection with our increasing use of Automatic Equipment Identification ("AEI") technology; (2) it would interfere with the implementation of national and international standards that have been developed to facilitate the worldwide movement of intermodal containers and other transportation equipment; and (3) it runs contrary to the public interest in shared use of the radio spectrum, which is a limited and public resource.

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To begin with, we want to note that the use of this portion of the spectrum by us and other substantial members of the transportation industry was not even mentioned in the PacTel petition. As discussed in detail below, the spectrum sought by PacTel is currently used by us, all of the railroads, many of the trucking companies, and various other members of the transportation industry. Moreover, all of us to one extent or another have either plans to increase or are considering increasing our use of AEI using this portion of the spectrum in the imminent future. We at APC are frankly surprised at PacTel's lack of awareness relating to the current and contemplated use of this portion of the spectrum by the transportation industry.

We have studied, and have been proponents of, the use of AEI technology for many years. We started experimenting with AEI technology in the early 1980s and conducted numerous thorough tests and studies over the years in cooperation with other United States flagship intermodal carriers under the auspices of the United States Maritime Administration. A performance specification was developed as a result of these studies. This group of carriers then tested different types of technologies and concluded that reflected energy modulated backscatter technology was the only technology that met the standard. Last year, we began a pilot program of using automatic identification devices (tags) and readers to track transportation equipment from Nagoya and Yokohama, Japan to our West Coast ports, and then along various rail links to Midwest and East Coast points. Currently, we have outfitted approximately 10,000 pieces of transportation equipment with Amtech transponder tags. All of the AEI equipment we have installed operates in the 902-928 MHz portion of the frequency spectrum, and the full band must be available for use in those common instances where many readers must operate in proximity in the confines of our hub terminals.

We are currently concluding company-wide study of a plan for implementing AEI technology worldwide. Assuming a favorable outcome of the study, we will embark on an worldwide "rollout" of AEI equipment. This "rollout" would consist of tagging with transponders our intermodal containers, chassis, and rail car fleet and installing transponder readers at our port facilities and inland terminals. The "rollout" could potentially involve the tagging of approximately 180,000 pieces of transportation equipment and the installation of 100 lanes of AEI equipment at more than 35 locations, as well as applications on our transtainers and cranes.

We believe AEI technology holds great promise for our business. It could enable us to precisely track the movement of our equipment and our customer's goods and reduce the amount of time spent in locating "misplaced" transportation equipment. Implementation of AEI throughout our vast intermodal transportation network would result in greatly improved customer service and in substantial annual cost savings to both us and our Fortune 500 and other shipping customers.

The grant of exclusive use of a broad portion of the spectrum to PacTel would clearly inhibit any future "rollout" by APC of AEI technology. PacTel's proposal in the petition to "grandfather" existing uses of this portion of the spectrum would not permit us to freely proceed with broad implementation of this important technology.

Moreover, the grant of exclusive use of a broad portion of the 902-928 MHz spectrum to PacTel would also interfere with the implementation of standards relating to the use of AEI equipment adopted by the International Standards Organization ("ISO") (ISO 10374), the American

National Standards Institute ("ANSI") (standard MH5.1.9-1990) the American Association of Railroads ("AAR") (standard S-918), and the American Trucking Associations ("ATA"). We were in the vanguard of the effort to develop the ISO standard and were strong supporters of both the AAR and ATA standards.

These standards were developed concurrently and are compatible with one another. Implementation of AEI applications in conformity with these standards could result in a "seamless" system for tracking the movement of transportation equipment throughout the world, regardless of whether such containers move by air, rail, truck, or ship.

Each of these standards contains detailed specifications relating to the use of AEI equipment and each specifically permits operation in the 902-928 MHz spectrum, while the AAR standard requires operation in this portion of the spectrum to allow for the use of beam powered tags. For example, the AAR adopted a mandatory standard that specifically requires each rail car used in interchange service in North America be outfitted with two tags and designates 912 MHz as the primary frequency for single readers. Readers will be placed at intermittent locations along the tracks and in a number of proximate locations in rail terminal yards to pick up the radio signals reflected by the tags.

We and many other members of the transportation industry have begun implementing AEI applications to conform to the standards of the ISO, ANSI, AAR, and ATA. Since these standards specifically designate 902-928 MHz as the frequency and since we require the use of multiple readers at different frequencies, the grant of exclusive use of a broad portion of the 902-928 MHz spectrum to PacTel would clearly interfere with our ability and the ability of others to comply with these standards. These national and international standards were developed at significant cost (both in terms of money and effort) by the parties involved. As an example, the international investment in tags for intermodal containers alone could approximate several hundred million dollars, assuming the tagging of the entire international intermodal fleet, which consists of approximately 4.5 million intermodal containers (60% of which are passing through the United States at any one time). The grant of exclusive spectrum use to PacTel would clearly frustrate the efforts of the transportation industry to implement AEI applications that conform with these new international and national standards.

Also, frustrating these standards would be contrary to the Commission's historical philosophy relating to automatic vehicle monitoring. As we understand, the Commission decided years ago to allocate radio frequency spectrum for automatic vehicle monitoring purposes to encourage the safe and efficient management of mobil resources. Frustrating the implementation of these standards runs counter to this philosophy.

Furthermore, we oppose the PacTel petition because we believe that a grant of exclusive use of broad portions of the spectrum to PacTel is not in the public interest. The operation of the 902-928 MHz spectrum has historically been on a shared basis. This seems appropriate since the spectrum is, after all, a limited public resource. Shared use of the spectrum allows multiple beneficial users of the spectrum to compete in the marketplace with their products. We note that PacTel, as a regulated company accustomed to operating in a limited competition environment, has only recently been permitted to enter into the information services business. We observe also that

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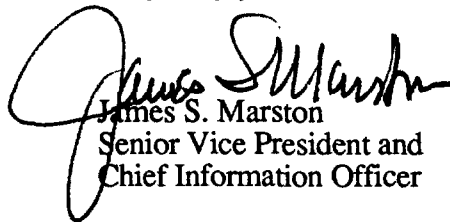
one of its first steps is this attempt to seek exclusive use of a broad portion of the spectrum and thus again limit its competition. We question whether public policy should also allow their use to be to the detriment and exclusion of us and other beneficial users of the same spectrum.

This attempt at exclusivity is particularly questionable since, as we understand it, the PacTel technology may not be engineered robust enough to successfully operate in a shared environment. We note, in passing, that the AEI equipment that we use is robust, has little potential to cause harmful interference, and is designed to operate in a shared spectrum environment.

Finally, as a California-based company, we feel it important to bring to the Commission's attention certain statutory and regulatory developments in the State of California pertaining to AEI technology and the frequency spectrum sought by PacTel. In response to a California statutory mandate, the California Department of Transportation recently adopted a state-wide automatic vehicle monitoring transportation standard. This standard requires use of the 902-928 MHz band. PacTel's exclusive use of extensive portions of this band would obviously significantly interfere with the implementation of this standard, which was also the result of years of discussion and negotiation.

In summary, we oppose the PacTel petition because it denies our use of this portion of the spectrum for our increasing use of AEI technology, it interferes with the implementation of national and international transportation standards that we and others in the transportation industry have invested enormous sums of money and time in developing, and it is not in the public interest. Accordingly, we trust that the FCC will not grant PacTel's request and will preserve for use by us and others similarly situated the amount of the 902-928 MHz spectrum that is currently available for AEI applications.

Very truly yours,



James S. Marston
Senior Vice President and
Chief Information Officer

JSM/kdg